

CHAPTER 9

MECHANISM FOR PERFORMANCE AND ACCOUNTABILITY

4.9.01 In the present environment most officials of Urban and Rural Local Body Administration do not view Local Government Service as a viable career or as an end. In part, this is due to an inadequate monetary structure and in part to the perception that local governments are merely administrative agents for implementing decisions taken at higher levels of Government. As long as State Government makes key decisions and also determines the reward structure, the incentives are likely to remain insufficient to attract and retain competent local officials.

4.9.02. With the revised local body structure on the anvil, the elected representatives, responsible for decision making, and a significant role in deciding development strategies and authority to mobilize resources to implement those strategies, it is hoped that the local body personnel will perceive local government employment as a prestigious and rewarding career for itself, and not merely as a spring board to a more valued career at higher levels. A sound system of personnel management requires that efficient and honest employees should be properly motivated, through rewards and promotions. Similarly the dishonest should be punished. Unless the system of incentives and disincentives to motivate local body personnel is evolved, it would not be possible to deliver civic services at the most efficient cost. Most of the citizens think of Central or State Governments as the most important influence on their lives. By and large, this is an accurate perception, the agencies that affect daily lives in Urban and Rural areas still are largely controlled by State. Aside from the presence or absence of a service, there are very few visible indications of the quality, quantity and cost of services. Even to those who manage basic urban and rural service including State and Central Governments, there are very few indications of quality, quantity and cost available. For the successful functioning of Local Government institutions, under the revised dispensation, local residents must be willing to support in most cases higher charges for services and higher general taxes, if they feel assured of a better performance and better quality of services. The evidence seems to be overwhelming that significant increase in local revenue mobilization are possible, mainly on the strength of new enforcement and new sense of local Government as belonging to local residents. However, there is also evidence that this is achievable for only a short time if residents do not see a visible improvement in the quality and quantity of services that matches demand for service.

4.9.03 While the presence or absence of a service particularly severe poor quality, are visible without any effort to publicize, more subtle results of local decisions to change the quality and quantity will not be visible unless there is systematic communication of local Government's performance. Since local officials are accustomed in serving their reporting relationship upward to their officials in the hierarchy, rather than downward to citizens or residents, overt communication strategies will be necessary to make local Government's performance visible to citizens. An example

in this direction would be the preparation of an "Annual Performance Report", that describes in language and charts accessible to most citizens/residents the basic features of revenues and expenditure services for those budget items, measure of the quality and quantity of services provided by the local Government, comparisons with previous years and comparisons with other similar Local Governments.

4.9.04 We have spoken earlier on the issue of incentives for local officials for efficient management of Local Body institutions so as to enhance its overall contribution to the local citizens as well as to National development. Focussing only on this will not ensure efficient and effective systems. Specific mechanisms also must be established by which officials and elected representatives can be held accountable for the performance. Mechanism can be both administrative and political.

4.9.05 Administrative mechanisms involve establishing clear management responsibility assignments. Clear assignments would emanate from the organization structure. The organisation's financial management system should make it clear who is responsible for the specific services and financial performance indicators of specific departments or sub-departments. Further, administrative accountability mechanisms involve operational statements of the quality and quantity of output expected of those departments and sub-departments and hence of their managers. These mechanisms involve accounting records to enable evaluation of the cost per unit of quantity and quality of service. Communication of performance results is a necessary component of administrative accountability mechanisms.(AAM)

4.9.06 Political mechanisms typically focus on the means of holding elected representatives, who are also public officials accountable through selection and removal. Electoral systems represent the ultimate democratic means of holding public officials to account, but depend on an interested and informed electorate. The capability of citizens to change Government leadership when dissatisfied with performance is the crux of political accountability and electoral systems can accomplish that. However, they are only a means. Even in the absence of electoral systems, if local Government officials respond to citizens' demands and preferences, then they are accountable. Community Groups and non Governmental Organisations have proved capable of changing public officials, and they are most effective when targeting their pressure on local government officials.

4.9.07 The Commission examined the structure of Accountability of elected representatives in the local bodies. The degree of Accountability of the elected representatives varies very much between the Central and State Governments and between the state Government and the local self Governments; this is obviously because of the size of the Administrative machinery at the disposal of the respective Governments and the proximity of the people to the elected representative who is at the helm of affairs. In this context, introduction of Lok Pal Type of Institution OMBUDSMAN for Local Bodies may be considered.

4.9.08 Human mentality is like a sand dune. It moves without others noticing the movement. With the newspapers publishing and highlighting misuse of public funds, the public have since become more literate and vigilant. The public confidence could be restored with the setting up of an organisation like Lok Pal type to ensure the accountability. The Commission therefore, recommends that an Ombudsman which will be outside the hierarchy of the Local Body and the State Government, may be set up to serve as a guardian of public interest to monitor the

accountability of the elected representatives. This body could have as its members persons with proven integrity, with a Chairman who may be a retired High Court Judge.

4.9.09 The Commission therefore recommends that

i) (a) A reward system for good work by incentive (cash award and certificate) and disincentives for poor/badwork should be evolved to motivate local body personnel, to give out their best;

(b) A system of incentive by way of cash award and certificates to the elected representatives, viz., the Presidents/Chairmen/Mayors and to the best Local Bodies is considered necessary.

ii) A systematic communication of local Government's performance should be evolved so as to make them visible to the citizens or residents; local officials should also cultivate the habit of reporting their performance to citizens periodically so as to make their performance visible. Preparation and publication of annual performance report that describes, in simple terms, the performance of the Local Body in terms of achievements against the goal set, basic features of revenue and expenditure sources for the budget and measures of the quantity and quality of services provided by the local government, giving comparison with previous years and with other similar local governments;

iii) Establishment of clear management responsibilities is necessary making it visible as to who is responsible for the services and financial performance of specific departments, operational statements indicating quality and quantity of output expected, and accounting records sufficient to enable evaluation of the cost for the unit of quality and quantity of service and performance of individuals and departments;

iv) Creation of Lok Pal or Lok Ayukta type of institution or OMBUDSMAN is necessary to monitor the accountability of elected representative of the Local Bodies.